

CAPITAL PROCUREMENT HANDBOOK

ADDENDUM

Facility/Passenger Amenities Procurement Requirements

Rural Public Transportation Program

FTA Section 5311



Arizona Department of Transportation
Public Transportation Division
206 South 17th Avenue, MD 340B
Phoenix, AZ 85007

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CAPITAL PROCUREMENT HANDBOOK ADDENDUM

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FACILITY/PASSENGER AMENITIES PROCUREMENT REQUIREMENTS USING FTA SECTION 5311 FUNDS

Introduction

The majority of capital funding grants from the ADOT Section 5311 program are used to purchase buses for fleet and service expansion. The Capital Procurement Handbook, issued April 2006 provides comprehensive information and resources for complying with program guidelines and specific guidance for the procurement of vehicles. Other capital projects eligible for funding from the ADOT Section 5311 program include passenger amenities, miscellaneous equipment and facility projects.

Passenger amenities includes shelters and bus stop signs and accessory and miscellaneous equipment such as mobile radio units, supervisory vehicles, fareboxes, computers, and shop and garage equipment. City/county/organization procurement/ purchasing policies can be used as a framework for the bid process. These purchases, considered micro or small purchases under FTA regulations, need to comply with the following standards:

- Micro-purchases are those purchases under \$2,500. Purchases below that threshold may be made without obtaining competitive quotations. Such purchases are exempt from Buy America requirements. There should be equitable distribution among qualified suppliers and no splitting of procurements to avoid competition. The Davis-Bacon Act applies to construction contracts between \$2,000 and \$2,500. Minimum documentation is required: A determination that the price is fair and reasonable and how this determination was derived. The other requirements of paragraph 7(i) do not apply to micro-purchases. (See Capital Procurement Handbook, Appendix A, FTA Circular 4220.1E, page 11 for details)
- Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that cost more than \$2,500 but do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. § 403(11) (currently set at \$100,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

This addendum had been prepared to provide guidance for capital projects related to construction of facilities. Types of facilities that may be funded include:

- bus maintenance and administrative facilities; transfer facilities
- bus malls, transportation centers, intermodal terminals, and park-and-ride stations

Capital facility projects are subject to the same overarching federal policies that apply to vehicle purchases outlined in Chapter I of the Capital Procurement Handbook; in Chapter II, important background information is provided concerning the elements of a successful procurement process that applies to facility development.

Based on the complexity and variety of construction projects, no single document will provide all the information needed to comply with the myriad of regulations. Important guiding documents that will provide valuable information include:

- FTA Circular 4220.1E Third Party Contracting Requirements.
 - Available in Appendix A of Capital Procurement Handbook
- FTA Circular 9300.1A Capital Program: Grant Application Instructions
 - Available at www.fta.dot.gov Go to Circulars/Guidance
- Best Practices Procurement Manual Prepared to assist grantee in meeting standards of FTA Circular 4220.1E
 - Available at www.fta.dot.gov Go to Reports/Publications

In order to encourage compliance with federal procurement requirements, several common requirements have been identified and helpful background information developed. This guidance must be supported by a thorough review of state, federal and local government purchasing policies and procurement policies relevant to specific projects.

Common requirements that are addressed in this Addendum include:

- Overview of Requirements Related to Bus Facilities
- Environmental Review/Categorical Exclusion Option
- Appraisal of Land for Local Match
- Davis-Bacon Wage Requirements
- Independent Cost Estimate

Overview of Requirements Related to Bus Facilities

FTA Circular 9300.1A, Grant Applications, Chapter III, Section 9 specifically addresses requirements for bus facilities. The complete section is available in Appendix A of this document. A summary of the important issues addressed include:

- Facility Size. FTA's general policy is to provide assistance for facilities that are adequate for the grant applicant's present needs and that will meet in a realistic way needs of the future. Thus, for a transit agency that at the present time operates 20 vehicles, a request for a bus maintenance garage that will accommodate 20 vehicles and have space for a 10 to 25 percent growth would be considered an acceptable grant request. For the same transit agency, a grant request for a garage for 40 vehicles would not be acceptable, unless the transit agency was absolutely committed to expanding its fleet to 40 vehicles. However, the purchase of enough land for the future expansion of the fleet and the garage may be justifiable.
- Project Staging. When applying for a grant to build a facility, a grant applicant must be able to fully describe the project and estimate the cost of the facility. Often the best method for proceeding is first to request funds for facility design and engineering and, where allowable under FTA's environmental requirements, for acquisition of real estate, and later to apply

for a grant amendment for construction funds when the cost of construction can be accurately estimated.

- Planning Justifications. There must be a planning basis for every project or for every group of projects. Planning studies at varying levels of detail should be undertaken in support of projects to acquire, install, or construct major transit facilities. Add? This information is generally available in the Three-Year Transit Plan.
- Passenger Amenities.
 - Passenger Shelters--Passenger shelters proposed at load and transfer points, park-and-ride stations, employment concentrations, and housing concentrations for the elderly and persons with disabilities are eligible for FTA assistance.
 - Transfer Facility or Transportation Center--The basis for a new transfer facility or transportation center should be documented in a planning study. Elements would include a determination of transit demand and other use, an evaluation of existing transfer facilities or sites to satisfy existing and future transit needs, evaluation and selection of sites if a new facility is warranted, preliminary concept design and cost estimate of the transit transfer facility.
 - Park-and-ride Facilities--The basis for a new park-and-ride lot should be documented in a planning study. Generally, activities would include an evaluation of demand and service needs, evaluation of sites to satisfy existing and future transit needs, preliminary concept design of the park-and-ride lots, development of a staging and financing plan, and environmental documentation for the new facility.
- Maintenance and Administrative Facilities. The basis for new maintenance and administrative facilities or major expansions or renovations of existing facilities should be documented in a planning study. Activities would include an evaluation of the condition and adequacy of the existing facility, development of site evaluation criteria, identification and evaluation of alternative sites based upon site evaluation and design requirements, final site selection and preliminary concept building design, environmental documentation, and the development of a staging and financing plan.
- Timeframe for Bus Maintenance Facility

<u>Milestone</u>	<u>Time Required</u>
Planning Study, Environmental Impact	6 to 12 months, for projects costing up to \$10 million
Study, Conceptual design completed	12 to 24 months, for projects costing up to \$40 million
Design/Engineering	3 to 6 months, for projects up to \$10 million 12 to 24 months, for projects costing up to \$40 million
Construction	12 to 18 months, for projects up to \$10 million 24 to 36 months, for projects up to \$40 million

Some factors that might expedite or delay the completion of a facility project include availability of local share, environmental requirements, site selection (sometimes a major delay), design review process, various construction permits, construction problems, labor relations, and local politics.

Environmental Review/Categorical Exclusion Option

FTA's environmental review process has two primary objectives: to fully disclose the probable environmental impacts resulting from a proposed project and to develop measures that will avoid or mitigate adverse environmental effects. Expanded information about the environmental protection requirements can be found in FTA Circular 9300.1A, Chapter VI, Paragraph 7.

Capital Program projects have a wide range of environmental effects and thus require varying levels of documentation and review. Many rural facility projects do not involve significant environmental impacts. The joint FHWA/FTA environmental regulations use the term "categorical exclusions" to describe those projects that are excluded from the requirement to prepare an environmental document (environmental assessment or environmental impact statement). In accordance with the regulations, bus and bus-related projects that are predetermined to be categorical exclusions include:

- the acquisition of buses to replace old buses;
- the acquisition of buses for minor fleet expansions where use of these buses can be accommodated by existing facilities;
- bus rehabilitation;
- alterations to buses or facilities to make them accessible for the elderly and persons with disabilities;
- purchase and installation of bus operating or maintenance equipment to be located within an existing facility, with no significant impacts off the project site;
- installation of fencing, signs, pavement markings, small passenger shelters, and traffic signals where no substantial land acquisition or traffic disruption will occur; and
- construction of pedestrian and bicycle lanes, paths, and facilities.

If the project falls under this category, a business letter must be sent to the ADOT Program Manager identifying the specific reason for exclusion.

Bus facility projects often involve more construction and greater potential for off-site impacts. Examples are new construction or expansion of bus terminals and transfer facilities, bus storage and maintenance garages, office facilities, and transit centers with park-and-ride facilities with minimal environmental impact. For these projects, the grant applicant should initially prepare environmental documentation with appropriate technical analysis to support a categorical exclusion and submit to the ADOT Program Manager. A suggested format and information requirements for obtaining a categorical exclusion can be found in Appendix B of this document.

For any project not meeting the conditions for a categorical exclusion, the grant applicant must prepare an Environmental Assessment (EA) which documents the impacts of the proposed project and considers alternatives to the proposed site or design. An EA is subject to public comment.

If significant environmental impacts are identified for a bus category project, an Environmental Impact Statement (EIS) will be required. For example, the new construction or extension of a separate roadway for buses or high-occupancy vehicles which is not located within an existing highway right-of-way normally requires an EIS. Based on National Environmental Policy Act (NEPA) review, a finding of no significant impact (FONSI) or Record of Decision (ROD) will be issued depending on the scope and magnitude of the probable environmental impacts.

Appraisal of Land: For Purchase or as Local Match

If you are planning to use land as part of the local matching funds or will be acquiring real property with Federal funds, the transaction must be carried out pursuant to the requirements in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (the Uniform Act), as amended. The Uniform Act is implemented by regulation (49 CFR part 24).

In order for land to be purchased or used as local match, a professional appraisal must be available. A guide for preparing this appraisal can be found in Appendix C of this document. The appraisal must be submitted to the ADOT Program Manager.

Davis-Bacon Wage Requirements

The Davis-Bacon Act provides that contracts in excess of \$2,000 to which the United States is a party (i.e., federal funds are involved) for construction, alteration, or repair (including painting and decorating) of public buildings or public works within the United States shall contain a clause that no laborer or mechanic employed directly upon the site of the work shall receive less than the prevailing wage rates as determined by the Secretary of Labor. Practical issues surrounding the requirements of the Act and the regulations implementing it include:

Federal Wage Determinations - When a construction project is being performed with federal funds, laborers and mechanics employed directly upon the site of the work shall be paid a minimum wage which is determined by the Secretary of Labor. That rate of pay is referred to as the "Davis-Bacon wage rate" and is specifically identified in the contract between the Recipient and the Contractor.

Types of Wage Determinations - Federal wage determinations are of two types: (a) General Wage Determinations and (b) Project Wage Determinations. *General wage*

determinations contain prevailing wage rates for the types of construction designated in the determination, and they are used in contracts performed within a specified geographical area. They contain no expiration date and remain valid until modified, superseded, or canceled by a notice in the Federal Register by the Department of Labor. These determinations should be used whenever possible.

Project wage determinations are issued at the specific request of the grantee. They are used only when no general wage determination applies and they are effective for 180 days from the date of the determination.

It is the obligation of the contracting agency to ensure that a copy of the most current wage determination of the Department of Labor (DOL) is actually included in the solicitation and ensuing contract. The Wage and Hour Division of the DOL is responsible for the publication of wage determinations. Such determinations are numbered, dated, and issued as different rate schedules, depending upon the type of construction involved (building, residential, highway, or heavy construction). Directions for obtaining current wage levels for specific areas are included in Appendix D of this document.

Independent Cost Estimate

Effective April 2005, [FTA Circular 4220.1E](#), Paragraph 10 provides that grantees must perform a cost or price analysis in connection with every procurement action, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates **before** receiving bids or proposals.

For a vehicle purchase, the Independent Cost Estimate can be completed by contacting another transit agency to verify that bid cost is consistent. For a facility project, local construction costs must be reviewed.

In the Best Practices Procurement Manual discussion of Independent Cost Estimates, suggestions included:

- It is normally cost-effective to have an independent cost estimate that also satisfies the Federal requirement and to have such an estimate at some time before receiving bids or proposals. You may obtain such estimates from published competitive prices, results of competitive procurements, or estimates by in-house or outside estimators.
- BPPM Appendix B.20 – Independent Cost Estimate Form, provides a format and guidance for grantee in-house estimators that should be helpful. This form was developed by a small urban transit agency to assist its user organizations with the development of independent cost estimates and statements of work. This form is considerably more complex than what will be required in a rural area, but provides a good overview of the process.
- The purpose of these estimates include:

- it ensures a clear basis for the grantee's determination that the benefits of the procurement warrant its cost;
- it provides essential procurement and financial planning information
- it provides a basis for price analysis, which may assist in obviating the need for a more burdensome cost analysis.
- The cost estimate gives the contracting official some indication of the complexity of the project and the degree of investment that offerors will want to make in the procurement process, thus allowing planning of procurement time and personnel. It is also the basis for determining which procurement procedures apply to the project. If the cost estimate exceeds \$100,000, for example, a competitive solicitation is normally required. (State or local requirements may be stricter.) Similarly, certification and bonding requirements imposed by Federal regulations are triggered based on the value of the contract. (See "Methods of Procurement" FTA Circular 4220.1E, § 9; "Bonding Requirements", § 11; "Buy America," Master Agreement § 14 (a); "Debarment and Suspension" Master Agreement §3 b.) However, the application of these and most other requirements depends not on the cost estimate, but on the contract amount.
- A final purpose of the independent cost estimate is for price analysis. Either a cost or price analysis is required for every contract and every change order so that the essential objective of a reasonable price is assured. The adequacy of the price or cost analysis is a critical responsibility of the contracting official. Because cost analysis can be time consuming, expensive, and raise disputes, the availability of an independent pre-bid estimate, which allows for price analysis and obviates cost analysis, is worth material pre-bid effort.

APPENDIX A

FTA Circular 9300.1A Capital Program -Grant Application Instructions

Chapter III: Buses and Related Acquisitions, Paragraph 9:
Requirements for Bus Related Facilities

For complete document, go to www.fta.dot.gov/circulars

9. REQUIREMENTS RELATED TO BUS FACILITIES.

- a. General Philosophy. FTA assists in building two categories of bus facilities:
1. facilities that support transit operations, such as maintenance garages and administrative buildings, and
 2. facilities that provide passenger amenities and extend into the urban environment, such as bus terminals, stations, shelters, and park-and-ride lots.

FTA supports projects that are transit-related; an applicant will need to justify costs that are only indirectly related to transit. FTA participates in those portions of a project most physically and functionally connected to transit. Generally speaking, FTA does not participate in costs outside the "transit footprint" of a development project. (See Appendix B for amplification concerning joint development projects.)

With regard to intermodal facilities, FTA will participate on a pro rata basis, based on the public transit use or portion of the project. FTA assistance for parking is generally limited to parking for transit passengers or ride-sharing. FTA funds may not be used to support parking for shoppers or sports events unrelated to transit usage. To ensure that Federal funds appropriated for transit purposes are used as Congress intended, FTA may require a grantee to reserve FTA-assisted parking areas for transit users. Incidental use of parking areas, however, may be acceptable; an example of acceptable incidental use would be weekend use by shoppers of a parking area normally restricted for transit users during the week.

- b. Examples. FTA's approach to the review of bus-related transit facility projects is reflected in the following examples:
1. If a project is designed to improve the mixed land use and pedestrian access in the immediate vicinity of a transit bus station, the project may be eligible for Capital Program funding. The grant applicant should explain how the project helps to maintain or increase transit use. Transit use may result from maintaining the

- viability of the area immediately around the station for businesses and residences, or may result from increasing the mix of activities so that automobile use is less necessary and walk trips are feasible for more activities. Examples of such projects are day care facilities, retail businesses, and banking outlets.
 2. If a grant applicant plans to build a facility in conjunction with an intercity bus company, a taxi operation, or with other organizations within the public sector, the grant applicant is expected to apportion the costs for the project among those transit-related portions of the project and those that are not transit-related.
 3. If a grant applicant should desire to build an exclusive busway on an urban street, the grant application must clearly separate project costs related to transit from project costs unrelated to transit.
 4. Eligible costs do not include construction of commercial revenue-producing facilities, whether the facilities would be publicly or privately owned; nor do eligible costs include portions of public or private facilities not related to transit.
 5. While FTA permits a grantee to lease portions of an FTA-funded facility to others, FTA expects the grantee to limit that leasing to insignificant amounts of space or to space shared with the lessee. Acceptable examples of leasing include leasing part of a bus facility's lobby for use as a small concession stand, or as an Amtrak ticketing area. In addition, if a grantee is unready to use a portion of its facility, the grantee may lease that portion to another concern for a temporary period until the grantee is ready to use the leased portion.
- c. Facility Size. FTA's general policy is to provide assistance for facilities that are adequate for the grant applicant's present needs and that will meet in a realistic way needs of the future. Thus, for a transit agency that at the present time operates 20 vehicles, a request for a bus maintenance garage that will accommodate 20 vehicles and have space for a 10 to 25 percent growth would be considered an acceptable grant request. For the same transit agency, a grant request for a garage for 40 vehicles would not be acceptable, unless the transit agency was absolutely committed to expanding its fleet to 40 vehicles. However, the purchase of enough land for the future expansion of the fleet and the garage may be justifiable.
 - d. Project Staging. When applying for a grant to build a facility, a grant applicant must be able to fully describe the project and estimate the cost of the facility. Often the best method for proceeding is first to request funds for facility design and engineering and, where allowable under FTA's environmental requirements, for acquisition of real estate, and later to apply for a grant amendment for construction funds when the cost of construction can be accurately estimated.
 - e. Planning Justifications. There must be a planning basis for every project or for every group of projects. Planning studies at varying levels of detail

should be undertaken in support of projects to acquire, install, or construct major transit facilities. In the grant application, a grant applicant may choose to cite in reference and summarize pertinent parts of documents in which results of project studies were reported (for example, transportation plans, unified planning work programs, and management systems). FTA may request copies of studies or summaries of study results upon reviewing a grant application. The paragraphs that follow provide guidance.

1. Passenger Amenities.

- Passenger Shelters--Passenger shelters proposed at load and transfer points, park-and-ride stations, employment concentrations, and housing concentrations for the elderly and persons with disabilities are eligible for FTA assistance. A program for bus shelters should be developed for the existing and proposed network based on the operator's shelter criteria, and, in the case of significant increases, should be described in the grant application. A map indicating the transit network and shelter location should be developed and be available.
- Transfer Facility or Transportation Center--The basis for a new transfer facility or transportation center should be documented in a planning study. Elements would include a determination of transit demand and other use, an evaluation of existing transfer facilities or sites to satisfy existing and future transit needs, evaluation and selection of sites if a new facility is warranted, preliminary concept design and cost estimate of the transit transfer facility, development of a staging and financing plan, and environmental documentation for the new facility.
- Park-and-ride Facilities--The basis for a new park-and-ride lot should be documented in a planning study. Generally, activities would include an evaluation of demand and service needs, evaluation of sites to satisfy existing and future transit needs, preliminary concept design of the park-and-ride lots, development of a staging and financing plan, and environmental documentation for the new facility.

2. Maintenance and Administrative Facilities. The basis for new maintenance and administrative facilities or major expansions or renovations of existing facilities should be documented in a planning study. Activities would include an evaluation of the condition and adequacy of the existing facility, development of site evaluation criteria, identification and evaluation of alternative sites based upon site evaluation and design requirements, final site selection and preliminary concept building design, environmental documentation, and the development of a staging and financing plan.

APPENDIX B

Sample Information/Format For Requesting Categorical Exclusion

Do you want to require?*Not an FTA mandated format/provided as an example for your convenience*

Date _____

Grant Applicant _____

Name of Project _____

**INFORMATION REQUIRED FOR DOCUMENTED
CATEGORICAL EXCLUSION
(23 CFR 771.117(d))**

Provide a response for each lettered paragraph. If you feel an item does not apply to your project, explain why. Provide letters and any other information to substantiate responses (such as zoning, traffic impacts, SHPO letter).

A. DETAILED PROJECT DESCRIPTION:**B. LOCATION (INCLUDING ADDRESS):**

Attach a site map or diagram, which identifies the land uses and resources on the site and the adjacent or nearby land uses and resources. This is used to determine the probability of impact on sensitive receptors (such as schools, hospitals, residences) and on protected resources.

**C. METROPOLITAN PLANNING AND AIR QUALITY
CONFORMITY:**

Is the proposed project "included" in the current adopted MPO plan, either explicitly or in a grouping of projects or activities? What is the conformity status of that plan? Is the proposed project, or are appropriate phases of the project included in the TIP? What is the conformity status of the TIP?

D. ZONING:

Description of zoning, if applicable, and consistency with proposed use.

E. TRAFFIC IMPACTS:

Describe potential traffic impacts; including whether the existing roadways have adequate capacity to handle increased bus and other vehicular traffic.

F. CO HOT SPOTS:

If there are serious traffic impacts at any affected intersection, and if the area is nonattainment for CO, demonstrate that CO hot spots will not result.

G. HISTORIC RESOURCES:

Describe any cultural, historic, or archaeological resource that is located in the immediate vicinity of the proposed project and the impact of the project on the resource.

H. NOISE:

Compare the distance between the center of the proposed project and the nearest noise receptor to the screening distance for this type of project in FTA's guidelines. If the screening distance is not achieved, attach a "General Noise Assessment" with conclusions.

I. VIBRATION:

If the proposed project involves new or relocated steel tracks, compare the distance between the center of the proposed project and the nearest vibration receptor to the screening distance for this type of project in FTA's guidelines. If the screening distance is not achieved, attach a "General Vibration Assessment" with conclusions.

J. ACQUISITIONS & RELOCATIONS REQUIRED: Describe land acquisitions and displacements of residences and businesses.

K. HAZARDOUS MATERIALS:

If real property is to be acquired, has a Phase I site assessment for contaminated soil and groundwater been performed? If a Phase II site assessment is recommended, has it been performed? What steps will be taken to ensure that the community in which the project is located is protected from contamination during construction and operation of

the project? State the results of consultation with the cognizant State agency regarding the proposed remediation?

L. COMMUNITY DISRUPTION AND ENVIRONMENTAL JUSTICE:

Provide a socio-economic profile of the affected community. Describe the impacts of the proposed project on the community. Identify any community resources that would be affected and the nature of the effect.

M. USE OF PUBLIC PARKLAND AND RECREATION AREAS:

Indicate parks and recreational areas on the site map. If the activities and purposes of these resources will be affected by the proposed project, state how.

N. IMPACTS ON WETLANDS:

Show potential wetlands on the site map. Describe the project's impact on on-site and adjacent wetlands.

O. FLOODPLAIN IMPACTS:

Is the proposed project located within the 100-year floodplain? If so, address possible flooding of the proposed project site and flooding induced by proposed project due to its taking of floodplain capacity.

P. IMPACTS ON WATER QUALITY, NAVIGABLE WATERWAYS, & COASTAL ZONES:

If any of these are implicated, provide detailed analysis.

Q. IMPACTS ON ECOLOGICALLY-SENSITIVE AREAS AND ENDANGERED SPECIES:

Describe any natural areas (woodlands, prairies, wetlands, rivers, lakes, streams, designated wildlife or waterfowl refuges, and geological formations) on or near the proposed project area. If present, state the results of consultation with the state department of natural resources on the impacts to these natural areas and on threatened and endangered fauna and flora that may be affected.

R. IMPACTS ON SAFETY AND SECURITY:

Describe the measures that would need to be taken to provide for the safe and secure operation of the project after its construction.

S. IMPACTS CAUSED BY CONSTRUCTION:

Describe the construction plan and identify impacts due to construction noise, utility disruption, debris and soil disposal, air and water quality, safety and security, and disruptions of traffic and access to property.

The action described above meets the criteria for a NEPA categorical exclusion (CE) in accordance with 23 CFR Part 771.117(d)

Applicant's Environmental Reviewer

Date_____

FTA/ADOT Grant Representative

Date_____

APPENDIX C

Guide To Preparing An Appraisal

Prepared by FTA Office of Program Review/Real Estate

This document would be provided to a professional appraiser to ensure that correct procedures are followed and required information is reported.

Scope of Work

The Scope of Work is a written set of expectations that form an agreement or understanding between the appraiser and the agency as to the specific requirements of the appraisal, resulting in a report to be delivered to the agency by the appraiser. It includes identification of the intended use and intended user; definition of market value; statement of assumptions and limiting conditions; and certifications. It should specify performance requirements, or it should reference them from another source, such as the agency's approved Right-Of-Way Manual. The Scope of Work must address the unique, unusual and variable appraisal performance requirements of the appraisal. Either the appraiser or the agency may recommend modification to the initial Scope of Work, but both parties must approve changes.

The appraiser must, at a minimum:

1. Provide an appraisal meeting the agency's definition of an appraisal. For Federal-aid projects the definition must be compatible with the definition found at 49 CFR 24.2(a)(3).
2. Afford the property owner or the owner's designated representative the opportunity to accompany the appraiser on the inspection of the property.
3. Perform an inspection of the subject property. The inspection should be appropriate for the appraisal problem and the Scope of Work should address:
 - a. The extent of the inspection and description of the neighborhood and proposed project area.
 - b. The extent of the subject property inspection, including interior and exterior areas.
 - c. The level of detail of the description of the physical characteristics of the property being appraised (and, in the case of a partial acquisition, the remaining property).

Appraisal Report

The Appraisal Report should as a minimum:

1. Include a sketch of the property and provide the location and dimensions of any improvements.
2. Include adequate photographs of the subject property and comparable sales and provide location maps of the property and comparable sales.
3. Include items required by the acquiring agency, usually including the following list:

- a. The value being appraised (usually fair market value) and its definition.
 - b. The property right(s) to be acquired, e.g. fee simple, easement, etc.
 - c. Appraised as if free and clear of contamination (or as specified)
 - d. The date of the appraisal report and the date of valuation
 - e. A realty/personalty report is required per 49 CFR 24.103(a)(2)(i).
 - f. The known and observed encumbrances, if any.
 - g. Title information
 - h. Location
 - i. Zoning
 - j. Present use, and
 - k. At least a 5 year sales history of the property.
4. Identify the highest and best use. If highest and best use is in question or different for the existing use, provide an appropriate analysis identifying the market-based highest and best use. (Some FTA transit projects may use the highest and best use for transit. This should be explained.)

Additional Requirements

1. Present and analyze relevant market information. Specific requirements for market information should include research, analysis, and verification of comparable sales. Inspection of comparable sales should also be specified.
2. In developing and reporting the appraisal, disregard and decrease or increase in the fair market value of the real property caused by the project for which the property is to be acquired of by the likelihood that the property would be acquired for the project. (If necessary, the appraiser may cite the Jurisdictional Exception or Supplemental Standards Rules under USPAP to ensure compliance with USPAP while following this Uniform Act requirement)
3. Report his or her analysis, opinion, and conclusions in the appraisal report.
4. Explain the Intended Use: An example might be “this appraisal is to estimate the fair market value of the property, as of the specified date of the valuation, for the proposed acquisition of the property rights.”
5. Explain the Intended User: Such as “the intended user of this appraisal report is primarily the acquiring agency. However, its funding partners may review the appraisal as part of their program oversight activities.”

Definition of Market Value

Market Value is determined by State law, but includes the following:

1. Buyer and seller are typically motivated.
2. Both parties are well informed or well advised, each acting in what he or she considers his or her own best interest.
3. A reasonable time is allowed for exposure in the open market.
4. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Assumptions and Limiting Conditions

The appraiser shall state all relevant assumptions and limiting conditions. In addition, the acquiring agency may provide other assumptions and conditions that may be required for the particular appraisal assignment such as:

1. The data search requirements and parameter that may be required for the project t.
2. Identification of the technology requirements, including approaches to value to be used to analyze the data.
3. Need for machinery and equipment appraisals, soil studies, potential zoning changes, etc.
4. Instruction to the appraiser to appraise the property “As Is” or subject to repairs or corrective action.
5. As applicable, include any information on property contamination to be provided and considered by the appraiser in making the appraisal.

Any question on this guide may be directed to FTA Staff:

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Mamie Smith-Fisher	202-366-8663	Mamie.Smith-fisher@fta.dot.gov

APPENDIX D

DAVIS-BACON ACT WAGE RATE

Example of David Bacon Construction Wage Determination

Grantee Is Responsible For Verifying Current Wage Level For Applicable County

GO TO: www.gpo.gov/davisbacon/az.html

The Davis-Bacon Wage Determinations contained on this web site are wage determinations issued by the U.S. Department of Labor under the *Davis-Bacon and related Acts*. The Wage and Hour Division of the U.S. Department of Labor determines prevailing wage rates to be paid on federally funded or assisted construction projects. It is the responsibility of the federal agency that funds or financially assists Davis-Bacon covered construction projects to ensure that the proper Davis-Bacon wage determination(s) is/are applied to such construction contracts(s). (See [29 CFR 1.5](#) and [1.6\(b\)](#))

Too Much? However, first time I really ever understood the process.

GENERAL DECISION: **AZ20030001** 08/04/2006 AZ1

Date: August 4, 2006

General Decision Number: **AZ20030001** 08/04/2006

Superseded General Decision Number: AZ020001

State: Arizona

Construction Type: Building

Counties: Coconino, Maricopa, Mohave, Pima, Pinal and Yuma
Counties in Arizona.

BUILDING CONSTRUCTION PROJECTS (does not include residential construction consisting of single family homes and apartments up to and including 4 stories)

Modification Number	Publication Date
0	06/13/2003
1	03/19/2004
2	04/30/2004
3	08/06/2004
4	09/03/2004
5	10/15/2004
6	02/11/2005
7	03/11/2005
8	04/15/2005
9	06/17/2005
10	09/16/2005
11	09/30/2005
12	10/07/2005

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13	11/11/2005
14	12/23/2005
15	01/06/2006
16	03/24/2006
17	06/02/2006
18	07/07/2006
19	08/04/2006

BRAZ0003-003 01/01/2006

COCONINO, MARICOPA, MOHAVE, PINAL (Area West and North of the San Francisco River to the Gila River), & YUMA COUNTIES

	Rates	Fringes
Bricklayer - Cement Block Layer.....	\$ 22.50	3.91

BRAZ0003-008 07/01/2002

PIMA AND PINAL (Area East and South of the San Francisco River to the Gila River) COUNTIES

	Rates	Fringes
Bricklayer - Cement Block Layer.....	\$ 15.40	3.84

CARP0408-001 07/01/2005

	Rates	Fringes
Carpenter.....	\$ 20.85	5.17

CARP1327-001 07/01/2005

	Rates	Fringes
Drywall Hanger.....	\$ 15.55	4.86

ELEC0570-003 06/01/2005

PIMA, PINAL (Southern Part), AND YUMA COUNTIES

	Rates	Fringes
Electrician/Wireman Zone 1.....	\$ 19.60	14.4%+4.58

ZONE DEFINITIONS:

Zone 1: 0 to 29 miles radius from City Hall in the following cities: Tucson, Benson, Bisbee, Clifton, Douglas, Morenci, Nogales, Parker, Safford, Sierra Vista & Yuma.

Zone 2: Over 29 miles to 46 miles - add \$1.25 to Zone 1 rate.

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Zone 3: Over 46 miles - add \$3.75 to Zone 1 rate.

ELEC0640-005 06/01/2005

COCONINO, MARICOPA, MOHAVE, and PINAL (Area North and West of the boundary line beginning at a point where Papago Indian Reservation Road No. 15 crosses the Pima-Pinal County line, then Northeasterly on Road No. 15 to the intersection with Highway FAS-267, extending North on FAS-267 to the intersection with Florence Canal, North & East on Florence Canal to the intersection of the line "Second Guide Meridian East" then North to the Maricopa-Pinal County Lines) COUNTIES

	Rates	Fringes
Electrician/Wireman.....	\$ 22.50	3%+6.04

ENGI0428-003 06/01/2005

	Rates	Fringes
Power Equipment Operator		
(2) Crane under 15 tons.....	\$ 20.77	7.10
(3) Crane, 15 tons to 100 tons.....	\$ 21.85	7.10
(4) Crane, 100 tons and over.....	\$ 22.88	7.10

* IRON0075-002 08/01/2006

	Rates	Fringes
Ironworker, Structural		
Zone 1:.....	\$ 23.00	14.80

Zone 1: 0 to 50 miles from City Hall in Phoenix or Tucson
Zone 2: 050 to 100 miles - Add \$1.50
Zone 3: 100 to 150 miles - Add \$2.75
Zone 4: 150 miles and over - Add \$4.00

LABO0383-005 06/01/2004

	Rates	Fringes
Laborer (Brick/Block Tender)...	\$ 13.07	4.20

PAIN0086-003 10/01/2004

	Rates	Fringes
Painter.....	\$ 16.95	2.95

PAIN1610-001 07/01/2004

	Rates	Fringes
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Glazier.....	\$ 19.89	3.70+a
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FOOTNOTE:

- a. Two weeks paid vacation after one year of service

PLUM0469-003 07/01/2006

COCONINO, MARICOPA, MOHAVE, AND YUMA COUNTIES

	Rates	Fringes
Plumber/Pipefitter.....	\$ 27.00	12.00

ZONE DEFINITIONS FOR PIPEFITTERS, PLUMBERS, STEAMFITTERS

ZONE 1: Area within a 20 mile radius of the center of the following towns: Flagstaff, Holbrook, Kingman, Lake Havasu City, Prescott, Show Low, Springerville, St John's, Winslow, and Yuma; and the area within a 40 mile radius of the center of Phoenix.

ZONE 2: Area outside the above areas - Add \$3.00 to Zone 1 basic hourly rate.

PLUM0741-003 07/01/2004

PIMA AND PINAL COUNTIES

	Rates	Fringes
Plumber/Pipefitter.....	\$ 22.42	9.59

SFAZ0669-001 04/01/2006

	Rates	Fringes
Sprinkler Fitter, Fire.....	\$ 26.40	12.65

SHEE0359-002 08/01/2003

PIMA and PINAL (South of the 33rd Parallel) COUNTIES

	Rates	Fringes
Sheet Metal Worker (Including HVAC)		
Zone 1.....	\$ 20.79	3%+7.45
Zone 2.....	\$ 22.29	3%+7.45

ZONE DEFINITIONS:

Zone 1: 0 to 35 miles from the City Hall in Tucson

Zone 2: Over 35 miles from the City Hall in Tucson

SHEE0359-003 07/01/2004

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COCONINO, MARICOPA, MOHAVE, PINAL (North of the 33rd Parallel),
and YUMA COUNTIES

	Rates	Fringes
Sheet Metal Worker (Including HVAC).....	\$ 23.20	3%+9.30

SUAZ2004-001 01/14/2004		

	Rates	Fringes
Cement Mason/Finisher.....	\$ 15.25	5.01
Laborers		
Concrete Worker.....	\$ 8.88	0.00
Form Setter.....	\$ 9.63	0.00
General/Cleanup.....	\$ 11.37	2.91
Waterproofing.....	\$ 12.59	0.00
Plasterer.....	\$ 15.00	0.00
Power Equipment Operator		
Backhoe.....	\$ 14.78	0.00
Tile Finisher.....	\$ 11.00	0.00
Tile Setter.....	\$ 14.98	0.00

WELDERS - Receive rate prescribed for craft performing
operation to which welding is incidental.

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Unlisted classifications needed for work not included within
the scope of the classifications listed may be added after
award only as provided in the labor standards contract clauses
(29CFR 5.5 (a) (1) (ii)).

In the listing above, the "SU" designation means that rates
listed under the identifier do not reflect collectively
bargained wage and fringe benefit rates. Other designations
indicate unions whose rates have been determined to be
prevailing.

WAGE DETERMINATION APPEALS PROCESS

1.) Has there been an initial decision in the matter? This can
be:

- * an existing published wage determination
- * a survey underlying a wage determination

- * a Wage and Hour Division letter setting forth a position on a wage determination matter
- * a conformance (additional classification and rate) ruling

On survey related matters, initial contact, including requests for summaries of surveys, should be with the Wage and Hour Regional Office for the area in which the survey was conducted because those Regional Offices have responsibility for the Davis-Bacon survey program. If the response from this initial contact is not satisfactory, then the process described in 2.) and 3.) should be followed.

With regard to any other matter not yet ripe for the formal process described here, initial contact should be with the Branch of Construction Wage Determinations. Write to:

Branch of Construction Wage Determinations
Wage and Hour Division
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

2.) If the answer to the question in 1.) is yes, then an interested party (those affected by the action) can request review and reconsideration from the Wage and Hour Administrator (See 29 CFR Part 1.8 and 29 CFR Part 7). Write to:

Wage and Hour Administrator
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

The request should be accompanied by a full statement of the interested party's position and by any information (wage payment data, project description, area practice material, etc.) that the requestor considers relevant to the issue.

3.) If the decision of the Administrator is not favorable, an interested party may appeal directly to the Administrative Review Board (formerly the Wage Appeals Board). Write to:

Administrative Review Board
U.S. Department of Labor
200 Constitution Avenue, N.W.
Washington, DC 20210

4.) All decisions by the Administrative Review Board are final.

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END OF GENERAL DECISION